

\*World Glass Commercial Masonry

March 5, 2013

Governor Paul R. LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

### Dear Governor LePage:

On behalf of Phoenix Associates, I wish to express my deep appreciation to you for your plan to pay the hospital debt in Maine. I applaud the ethical and financial responsibility in your decision. For the State to honor its prior obligations and pay for services already rendered is an important principle – not only for hospitals, but for all businesses in Maine and those who do business with State government.

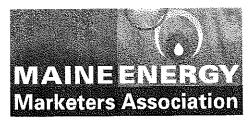
Phoenix Associates supports your emergency bill, "An Act To Improve the Return to the State on the Sale of Spirits and To Provide a Source of Payment for Maine's Hospitals", because it is a comprehensive approach, resolves multiple issues, and creates jobs. While Maine's health care industry will benefit from your plan, it is clear that other industries will, as well. When Maine's 39 hospitals receive payment they will be able to start projects, once again creating good-paying construction jobs for Mainers. Your plan makes sense for Maine's economy.

We also support this legislation because it provides our State with a 'better deal' for Mainers. We recognize that the State has an opportunity to receive a better return on investment through securitizing liquor operations while keeping the majority of services, such as distributing and warehousing, within the private sector. Additionally, we appreciate the value in your plan to recapture millions of dollars in lost sales spent every year at New Hampshire liquor stores.

You can count on our support as you work with the Maine Legislature to use revenues from the State liquor operations to pay Maine's hospitals and create a more prosperous economy.

Sincerely,

Vinal Zegouros/Owner PO Box 349 Gray, ME 04039 207-926-3211



Health Insurance Trust \* Workers Compensation Trust \* Education Foundation

Governor Paul R. LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

March 5, 2013

### Dear Governor LePage:

On behalf of the Maine Energy Marketers Association, I wish to express my deep appreciation to you for your plan to pay the hospital debt in Maine. I applaud the ethical and financial responsibility in your decision. For the State to honor its prior obligations and pay for services already rendered is an important principle – not only for hospitals, but for all businesses in Maine and those who do business with State government. This is our one shot to pay off this debt and to move the state forward.

MEMA supports your emergency bill, "An Act To Improve the Return to the State on the Sale of Spirits and To Provide a Source of Payment for Maine's Hospitals", because it is a comprehensive approach, resolves multiple issues, and creates jobs. While Maine's health care industry will benefit from your plan, it is clear that other industries will, as well. When Maine's 39 hospitals receive payment they will be able to start projects, once again creating good-paying construction jobs for Mainers. Your plan makes sense for Maine's economy.

Specifically as representatives of the convenience stores in Maine, we also support this legislation because it provides our State with a 'better deal' for Mainers and reduces the incentives to shop outside of Maine. We recognize that the State has an opportunity to receive a better return on investment through securitizing liquor operations while keeping the majority of services, such as distributing and warehousing, within the private sector. Additionally, we appreciate the value in your plan to recapture millions of dollars in lost sales spent every year at New Hampshire liquor stores. Let's keep the business here in Maine which will raise tax revenues and increase business activity in this state.

You can count on our support as you work with the Maine Legislature to use revenues from the State liquor operations to pay Maine's hospitals and create a more prosperous economy for our members.

Sincerely,

Jamie Py, President & CEO

Michael Estes, Chairman

Muchael Is



March 5, 2013

Governor Paul R. LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

The Associated General Contractors of Maine Board of Directors voted to support your plan to move Maine forward and pay off the hospital debt. In our opinion, LD 239, An Act To Improve the Return to the State on the Sale of Spirits and To Provide a Source of Payment for Maine's Hospitals is a comprehensive and thoughtful bill that is the best choice for the people of Maine.

Paying our debt to the hospitals should be an immediate priority for all decision makers in Augusta. We cannot risk losing or receiving reduced important federal matching dollars. When the 39 hospitals are paid, this reimbursement will provide the opportunity for long overdue construction to expand and maintain facilities.

If we do not pay off this debt in its entirety, the impact on health insurance, our costs for medical services, and the communities where the hospitals reside will be tremendous. Furthermore, the practice of allowing private entities to provide services they have been promised compensation for and then failing to pay is a bad precedent.

As you are aware, our industry has been hit very hard by the current economic conditions. Besides the reduced public infrastructure funding, the private sector market is growing very slowly. Typically, we have a limited reduction of our workforce even during the slowest periods of the year. Since 2006, the peak of employment in the construction industry in our state, we have lost over 8,000 jobs. This means over 8,000 Mainers are unemployed in our industry alone. That is over 26.6% of the workforce, a percentage that falls far behind the employment stability statistics of our New England neighbors. This is happening while the need for investment in roads, bridges, schools, water and wastewater continues to grow.

Your plan to pay off our debt and issue the voter approved bonds will provide a much-needed boost to Maine's economy and our industry. I would also encourage the authorization of Moral Obligation Bonds that will become a critical tool of health care facilities, higher education, and affordable housing developers in the plan for recovery.

On behalf of AGC Maine's 200+ members, we are proud to offer our support for LD 239 and we believe it provides a sound fiscal plan for Maine's future.

Sincerely,

Matthew E. Monte

Matthew E. Marks Chief Executive Officer



Office of the Chancellor 16 Central Street Bangor, ME 04401-5106

> Tel: 207-973-3205 Fax: 207-973-3221 TDD/TDY: 207-973-3262 www.maine.edu

The University of Maine

University of Maine at Augusta

## Statement of Chancellor James Page

University of Maine at Farmington

University of Maine at Fort Kent

University of Malne at Machlas

University of Maine at Presque isle

> University of Southern Maine

"The sale of these bonds will allow the University of Maine to move forward with needed infrastructure upgrades on campus. Bond investments like these play an important part by ensuring that our students have access to quality educational facilities. We are pleased to learn the Governor has made these bonds a priority to move Maine forward."



Honorable Governor Paul LePage Office of the Governor One State House Station Augusta, Maine 04333

Subject: MaineCare Hospital Debt Proposal

Governor LePage:

On behalf of EMHS, Eastern Maine Healthcare Systems, and our seven member hospitals that are affected by the mounting MaineCare hospital debt burden, we want to thank you for your leadership to propose a solution to finally and fully resolve the massive debt burden impacting our organizations. Combined, EMHS member hospitals represent nearly \$112 million of the \$450 million statewide hospital debt.

EMHS member hospitals include:

- The Acadia Hospital
- The Aroostook Medical Center
- Blue Hill Memorial Hospital
- Charles A. Dean Memorial Hospital
- Eastern Maine Medical Center
- Inland Hospital
- Sebasticook Valley Health

Hospitals accept the financial responsibility to care for MaineCare beneficiaries and fund the cost of care real time. Provider related costs occur real time and our hospitals have funded the State of Maine obligation for far too long. The tremendous debt affects our organizations and communities in significant ways.

- Hospitals have been forced to deplete savings and some have relied on lines of credit to pay bills.
- Citizens in our region represent the aging population in Maine with significant disease burden. The debt has affected our ability to invest in the care, services, and technology needed to improve the health status of our patients.
- Hospitals have delayed payment to local vendors impacting the financial status of hundreds of small businesses in our local communities.

The Clanchette Building 43 Whiting Hill Road Brewer, Maine 04412 207.973.7050 fax 207.973.7139 www.emhs.org

EMHS MEMBERS
Acadia Hospital
Affiliated Healthcare Systems
Beacon Health
Blue Hill Memoriat Hospital
Charles A. Dean
Memorial Hospital
Dirigo Pines
Rettrement Community
Eastern Maine HomeCare
Eastern Maine Medical Center
EMHS Foundation
Inland Hospital

Sebasticook Valley Health

Rosscare

TAMO

The hospital debt has delayed construction projects throughout our region during a time when construction jobs are critically needed to support the economy, business, and Maine families.

We must also highlight the affect of the MaineCare debt on our ability to finance projects into the future. EMHS' recent experience with national bond rating organizations highlights the negative affect this debt has on our hospital credit ratings compared to our peers nationally. Debt financing will cost EMHS hospitals, and all Maine hospitals, more to fund projects into the future resulting in an overall increase of the cost of health care in Maine.

As one of the 32 Pioneer Accountable Care Organizations in the country, we recognize our responsibility to partner with the State of Maine to support the MaineCare program and to reduce the overall cost of care while improving quality outcomes for this population. We look forward to working with you and Commissioner Mayhew to achieve this outcome.

We thank you for your leadership and fully support the revenue bond proposal to fund the State of Maine hospital debt obligation.

Sincerely,

M. Michelle Stord M. Michelle Hood, FACHE President & CEO EMHS

Dabotal Carey Johnson, RN

President & CEO Eastern Maine Medical Center

Sylvia Litmai Solvia Getman

President & CEO The Aroostook Medical Center

John D. Dalton

President & CEO Inland Hospital

Gregory Roraff, FACHE

President & CEO Blue Hill Memorial Hospital

Geno Murray

Geno Murray

President & CEO Charles A. Dean Memorial Hospital

Victoria alfundar Fure

Victoria Alexander-Lane

President & CEO Sebasticook Valley Health

Daniel B. Coffey

President & CEO The Acadia Hospital



Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

We commend you for providing outstanding leadership to resolve the current MaineCare debt crisis.

Central Maine Healthcare is now owed some \$51 million by MaineCare. We have had selective layoffs, deferred hiring people, frozen wages and delayed needed capital projects due in part to our tenuous cash situation. Our lack of cash is the direct result of this enormous MaineCare receivable. Payment of the MaineCare debt is the single most effective way to improve the stability of our organization.

We understand the purchasers and consumers of healthcare are demanding high value from Maine hospitals and the providers we employ. Our system is aggressively cutting costs while investing in people and tools to increase our productivity. We have been able to reduce several million dollars of cost by adoption of "lean techniques" and other performance improvement strategies. CMMC is the lowest cost tertiary hospital and Bridgton and Rumford are the two lowest cost hospitals in Maine.

Our hospitals are also providing high quality care. Rumford Hospital earned "Top Rural Hospital" quality recognition by the Leapfrog Group and has achieved Pathway to Excellence® designation. Rumford Hospital and its parent organization, Central Maine Healthcare is delivering on our promise to provide high quality and low cost which is the value payers and our patients expect.

You can count on our support as you work with the Maine Legislature to use revenues from the state liquor contract to pay the settlement debt.

Sincerely yours,

R. David Frum President



### FRANKLIN MEMORIAL HOSPITAL

January 14, 2013

#### **Statement of Support**

On behalf of Franklin Memorial Hospital's administration, Board of Directors, medical staff and the residents of Greater Franklin County, I would like to offer this statement of support for the plan formulated by Governor Paul LePage to address the issue of the long-standing Medicaid debt owed to our hospital. We applied his commitment to paying the state's bills, his persistence and creativity in finding a workable solution to this decade-old problem in our state.

Franklin Memorial Hospital has been challenged by this debt obligation, which has now reached approximately \$15 million for the organization. Although these dollars are already reflected in our financial statements for care previously provided to patients, the cash will allow us to pay vendors in a timely fashion on a go-forward basis and avoid borrowing on a line of credit to meet our day-to-day financial operating obligations. It will also allow us to invest strategically in infrastructure and technology to support the development of value-based care as we strive to drive costs out of our delivery system and improve affordability of health care in our community.

Franklin Memorial Hospital ended its last fiscal year with a financial deficit. That deficit continues this fiscal year. The organization has been aggressively redesigning care delivery to be as efficient and effective as possible, while continuing to meet health care needs in our service area. We also continue to focus on improving quality and patient outcomes. Payment by the state of this debt obligation will allow us to continue to build a high quality, high value delivery system for the citizens of western Maine.

I would like to personally thank Governor LePage for his dedication and commitment to making certain that the state of Maine pay its obligation to hospitals. His leadership in this matter is very much appreciated.

Respectfully,

Rebecca Ryder

President and Chief Executive Officer

Franklin Memorial Hospital



The Honorable Paul R. LePage Governor of the State of Maine 1 State House Station Augusta, ME 04333-0001

### Dear Governor LePage:

On behalf of Mount Desert Island Hospital, our medical teams, employees, and volunteers: we support your proposal to repay the outstanding Medicaid debt owed to hospitals throughout the State of Maine.

As a rural community, repayment of this debt is especially important for our organization to preserve access to the kinds of care that best fit our community's needs. It will also help us avoid future staffing reductions that will have a snowball effect in our local business community.

MDI Hospital is committed to providing quality care that is nationally recognized and is actively pursuing innovative models to control costs and improve efficiency throughout this organization.

Regards,

Arthur J. Blank

President/CEO

Mount Desert Island Hospital

Chairman, Board of Trustees Maine Hospital Association



In the Spirit of Healing Sponsored by Covenant Health Systems Founded by the Felician Sisters 360 Broadway, PO Box 403 Bangor, Maine 04402-0403 ph: 207.907.1000 fax: 207.907.1922

# Statement of Support from St. Joseph Healthcare's President & CEO Mary Prybylo, RN, MSN on the Governor's Proposal to Pay the Hospital Debt

January 15, 2013

St. Joseph Healthcare in Bangor would officially like to thank Governor Paul LePage for developing a plan to settle the outstanding debt due to Maine hospitals. It is in the interest of our community and the good health of Maine people that we support this plan.

We greatly appreciate the State's efforts in 2011-2012 to reform the reimbursement system for inpatient and outpatient care, improving the hospital debt situation. However, the remaining debt from 2009-2012 threatens access to high quality, affordable care for all Maine people. Our own hospital and healthcare system have been forced to make difficult decisions about our current services and hold back on investments in new programs, technology and building projects because of the amount of debt that we carry.

Payment of the outstanding settlement debt will allow St. Joseph Healthcare and hospitals around our State the ability to retain personnel while investing in medical technology, information systems and building improvements that will benefit our communities. This reduction in debt will assist us with our capital budget and planning, as well as completing our upcoming building project which promotes our primary care focus within the greater Bangor area.

St. Joseph Hospital is proud of its outstanding record of high quality care, including being ranked one of the Top 100 Hospitals in the U.S. in 2012 by Thomson Reuters. Payment of this debt will help ensure that high quality, affordable care is available to the people of our community and all around the State.

Thank you for your support.

Sincerely,

Mary Prybylo, RN, MSN

President & CEO, St. Joseph Healthcare

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### Maine Hospital Association

Representing community hospitals and the patients they serve.

Statement of MHA President Steven Michaud on the

Governor's proposal to pay the hospital debt

January 15, 2013

On behalf of our 39 member hospitals, their trustees, doctors, nurses and other employees: Thank you Governor LePage, for developing this plan to settle the outstanding hospital debt. Payment of the outstanding hospital debt will have a positive impact on jobs, investments and access to care.

For years, our members have had to carry unpaid Medicaid debt on their books because of the way the system reimbursed our hospitals.

Last year, the Governor reformed the hospital payment system so that debt no longer accumulates. That was a significant accomplishment and we are truly grateful to you and the Maine Legislature for fixing that problem.

However, the remaining debt, some of which is 4 years old, is a major concern for hospitals across the state.

When the state pays the outstanding settlement debt, hospitals will be able to stem the tide of hospital layoffs that have occurred over the past two years. The settlement will allow hospitals to stop borrowing against lines of credit just to meet payroll, to make vital investments in hospital facilities and to pay local businesses for the services they provide to hospitals.

Finally, the state not paying its bills was simply wrong. Maine people have long recognized this. On every occasion I've had to discuss this issue over the years, I've seen that Maine people couldn't believe their government wasn't paying its bills. I'm sure Maine people will join us and support the proposal announced today.

Governor, thank you.

33 Fuller Road

Augusta, Maine 04330

tel 207-622-4794

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fax 207-622-3073

www.themha.org



Augusta, Maine 04330

www.mainegeneral.org

Statement of MaineGeneral Health CEO Chuck Hays Governor's proposal to pay the hospital debt

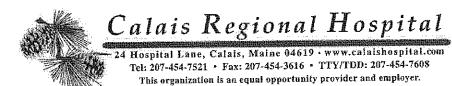
January 15, 2013

We applaud Governor LePage for actively pursuing a thoughtful solution that will reimburse hospitals for services provided in years past to our patients on MaineCare. If approved, this initiative will take long-standing debts incurred from 2009 to 2012 permanently off our books. As a result, we won't have to tap into our line of credit as frequently and will make access to additional credit easier and less expensive.

Eliminating the uncertainty of this past debt will allow us to continue to focus on providing quality, affordable health care to the people of the Kennebec Valley.

Thank you, Governor.

Chuck Hays, CEO



State of Maine The Honorable Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Re: Governor's proposal to pay the hospital debt

Dear Governor LePage:

On behalf of Calais Regional Hospital, I want to commend you for developing a plan to settle the outstanding hospital debt (2009-2012).

Our hospital over the last two years has reduced staffing levels, reorganized availability of services, and placed capital equipment needs on hold. We have also utilized our line of credit on several occasions to address cash flow challenges. With the recent development of this revenue bond/hospital payment proposal, it will relieve some of the strain Calais Regional Hospital has endured.

We are currently updating our Strategic Plan along with our 2013 Operating Budget. This current proposal if approved, will assist us in addressing ongoing capital purchases, and addressing specific patient care needs in our community.

This couldn't have come at a better time for us. We will continue to be the best that we can be for our community.

On behalf of all Calais Regional Hospital staff, and our patients, we thank you.

Respectfully,

Michael K. Lally

Chief Executive Officer

/jt

# Lincoln County Healthcare Maine Health

January 14, 2013

To Whom it May Concern,

I'm writing today to fully support Governor LePage's proposal to use revenues from the state's liquor sales to pay off the debt Maine owes its hospitals. I also want to thank Governor LePage for his commitment to Maine's hospitals and his determination to pay them for services rendered from 2009 to 2012.

Most of the hospitals in Maine are small, rural facilities that not only provide most of the health care in their region but are frequently the largest employers in their counties. Lincoln County Healthcare includes two hospitals, St. Andrews in Boothbay Harbor, and Miles Memorial Hospital in Damariscotta. These are very challenging times for small health care providers. Over the last two years, our organization has reduced is services and laid off employees in order to remain financially sustainable. We sincerely appreciate the challenges municipal and state governments are facing, but we can no longer carry an interest-free loan of approximately \$6 million for services we've rendered.

Like any business, we need the cash we're owed to replace equipment and repair our facilities. We need to invest in technology that will help us continue to provide some of the highest quality care in the country, and we need the ability to train, recruit and retain a talented workforce to care for our aging communities.

We are committed to providing the very best care to our communities and we've made it a top priority to reduce our costs and be as efficient as possible. In return, we are looking to the leadership in Augusta to support Governor LePage in his efforts to pay our organizations what they are owed.

Sincerely,

James W. Donovan,

Twown

President and CEO



Mr. Edward J. McGeachey President & CEO Southern Maine Medical Center One Medical Center Drive Biddeford, ME 04005

January 14, 2013

The Honorable Governor of Maine State House Station #1 Augusta, ME 04330

Dear Governor LePage:

Subject: Proposal to Pay Hospital Debt

On behalf of our patients, employees, trustees and the communities Southern Maine Medical Center (SMMC) serves. I thank you for developing a plan to settle the outstanding hospital debt owed to Maine hospitals.

The tightening cash flow resulting from the unpaid Medicaid debt has limited SMMC's ability to make vital investments in essential services and facilities necessary to support the growing demand for healthcare. Non-profit hospitals like SMMC are under tremendous financial pressure as we struggle to pay for the care provided to MaineCare patients without the associated payments from the State. At the same time, we are faced with the need to invest in caregivers, facilities and equipment necessary to respond to a dramatically increasing demand for care, including a dramatic increase in the number of people unable to pay for their care due to high deductibles or loss of insurance coverage. This in turn has a ripple effect on area businesses that would otherwise benefit from the construction, contracts, and services stemming from these projects and purchases.

The settlement you propose will allow SMMC to have confidence in our ability to meet the obligations that result from the addition of caregivers and the facilities and equipment to support them. This will benefit our patients, our staff and our communities. The funds will also be invested in our new electronic medical record system and our patient-centered medical home model that uses a team approach to primary care in order to help keep people healthier and hold down unnecessary healthcare costs.

We remain always committed to excellent care and our goal as a MaineHealth member is to ensure that our communities are among the healthiest in America. Thank you for your commitment to reimburse Maine hospitals for the state's outstanding debt. It is critical to our ability to meet these important goals.

Sincerely,

Edward J. McGeachey President & CEO



Transition Nous



January 14, 2013

The Honorable Paul LePage Governor of Maine 1 State House Station Augusta, ME 04333

Dear Governor LePage:

Thank you for your proposal to pay the outstanding debt owed to Maine hospitals. Payment of this outstanding debt will have a significant impact on Maine Coast Memorial Hospital's ability to continue to provide the necessary healthcare services for our communities.

As the second largest employer in Hancock County, the unpaid debt has played a major role in the management and operations of MCMH. Capital and operating projects (such as improved physician office space to assist in attracting physicians to Maine and improving patient access, maternity unit renovations to improve patient safety, and private patient rooms to assist in the reduction of infections) have been curtailed due to limitations on financing options and the risk of violating debt covenants. Existing operating plans (such as care coordination and diseases management programs for high risk patients), which include employment opportunities, have been limited.

Maine's hospitals rank at the top in the national quality of care measurements. Ensuring continued high quality care and patient safety requires investment in needed personnel, equipment and information systems. Payment of the debt will be invested in people, services and community

Once again, thank you very much for your support in paying the hospital debt. Maine Coast Memorial Hospital looks forward to providing quality care and quality jobs to the people of Maine.

Sincerely,

Charles D. Therrien President & CEO



**Administration** 6 East Chestnut Street Augusta, Maine 04330

www.mainegeneral.org

Statement of MaineGeneral Health CEO Chuck Hays Governor's proposal to pay the hospital debt

January 15, 2013

We applaud Governor LePage for actively pursuing a thoughtful solution that will reimburse hospitals for services provided in years past to our patients on MaineCare. If approved, this initiative will take long-standing debts incurred from 2009 to 2012 permanently off our books. As a result, we won't have to tap into our line of credit as frequently and will make access to additional credit easier and less expensive.

Eliminating the uncertainty of this past debt will allow us to continue to focus on providing quality, affordable health care to the people of the Kennebec Valley.

Thank you, Governor.

Chuck Hays, CEO



Governor LePage,

We are deeply grateful to you for developing this plan to pay hospitals' back Medicaid debt. We appreciate your consistent diligence to resolve this knotty financial problem that Maine's Hospitals have been carrying for these past years.

Paying this debt will first and foremost support York Hospital's continuing commitment to serve each and every patient who comes to our door regardless of their insurance coverage or economic status. Secondly, in these times of financial challenge, payment of this debt will help York Hospital maintain secure employment and incomes for our staff. Although the use of these funds will be determined by the York Hospital Board of Trustees, several long-standing capital projects including the replacement of our 15-year old aging MRI and the updating of our pediatrics and new-born infant services are at the top of our list.

We at York Hospital, with gratitude for your support, will endeavor to provide the highest quality care to every member of our community, cooperating with you to ensure equal access to all.

Sincerely,

Jud Knox President



Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

We commend you for providing outstanding leadership to resolve the current MaineCare debt crisis.

Central Maine Healthcare is now owed some \$51 million by MaineCare. We have had selective layoffs, deferred hiring people, frozen wages and delayed needed capital projects due in part to our tenuous cash situation. Our lack of cash is the direct result of this enormous MaineCare receivable. Payment of the MaineCare debt is the single most effective way to improve the stability of our organization.

We understand the purchasers and consumers of healthcare are demanding high value from Maine hospitals and the providers we employ. Our system is aggressively cutting costs while investing in people and tools to increase our productivity. We have been able to reduce several million dollars of cost by adoption of "lean techniques" and other performance improvement strategies. CMMC is the lowest cost tertiary hospital and Bridgton and Rumford are the two lowest cost hospitals in Maine.

Our hospitals are also providing high quality care. Bridgton Hospital has been named the lowest cost hospital in the state of Maine for several consecutive years. Bridgton Hospital and its parent organization, Central Maine Healthcare are delivering on our promise to provide high quality and low cost which is the value payers and our patients expect.

You can count on our support as you work with the Maine Legislature to use revenues from the state liquor contract to pay the settlement debt.

Sincerely yours,

R. David Frum

President



7 Transalpine Road P.O. Box 368 Lincoln, Maine 04457 (207) 794-3321 www.pvhme.org

January 14, 2013

The Honorable Governor Paul LePage 1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

On behalf of Penobscot Valley Hospital in Lincoln, Maine, I am writing to you today on a matter of great significance to hospitals across the state.

Our hospital is standing with you in approval of your proposal to use revenue from the state's liquor business to help pay back the MaineCare settlement debt. Debt has accrued on our books dating as far back as 2009. Your allotment to our hospitals will pay off outstanding state balances and lead to additional funding coming in from the federal share of the debt.

In our current fiscal situation, receiving these funds would be extremely beneficial for our staff, facilities and communities that we serve. At PVH, these payments will help us:

- Alleviate the need to dip into our line of credit to fund operations;
- Replace outdated equipment; and
- Continue to provide top-notch service to ensure Maine's hospitals continue to rank best in the country.

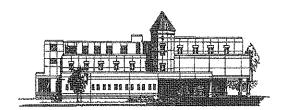
Our hospital is committed to maintaining critical access to various healthcare services in our community, but the debt and under-funding of MaineCare hospital payments threatens that access.

When the state pays hospitals for health care already provided to MaineCare patients, it will improve the affordability of health care and health insurance for everyone and significantly further our goal to preserve access to affordable, high quality health care in Maine. As we stand with you today, please continue to do all you can to support our Maine hospitals, now and in the future.

Sincerely,

David A. Shannon Chief Executive Officer

David a. Ahannor



### Redington-Fairview General Hospital P.O. Box 468, Skowhegan, ME 04976

January 14, 2013

Statement of Support for Governor's proposal for MaineCare Debt Payment for Hospitals

On behalf of the Board of Directors, Medical staff, employees and patients of Redington-Fairview General Hospital, I want to commend and thank the Governor for developing a proposal to put an end to the ongoing problem of debt accumulation to Maine Hospitals and Redington-Fairview General Hospital, in particular.

The Governor and the Legislature made great strides in the last legislative session in addressing the accumulation of future debt by changing the payment methodology for the majority of the State's larger hospitals and updating the Periodic Interim Payments to Critical Access Hospitals going forward into the future, but the past debts owed to Hospitals, some of it more than four years old, remained problematic. The Governor's proposed plan will pay the past debt to put this large State liability in the past.

Redington-Fairview General Hospital is owed \$11 million for services that were provided to MaineCare patients over the past 4 years, for which we have not been paid. Payment of that money will allow us to lower our debt burden, enable us to cover the cost of the increasing amount of services that we provide to patients who are unable to pay for the services that they receive, and continue to provide valuable community wellness and education initiatives and programs that operate at a loss.

We all thank you for your creativity and support.

Richard D. Willett

Chief Executive Officer



**Focused On Better Health** 

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-001

Dear Governor LePage:

On behalf of Houlton Regional Hospital I want to thank you for the plan you developed that will finally pay Maine hospitals the \$450 million dollars that is owed going back to 2009.

Houlton Regional Hospital's share of this settlement is approximately \$3 million and I cannot stress how important it will be for us to receive this money to improve our cash flow situation which has been a serious problem for years.

This morning, the hospital's draw on their line-of-credit for TD Bank was approximately \$1.2 million, we have utilized our line-of-credit everyday for the last four years and as a result struggled some weeks to meet payroll and we extend our vendors way beyond what they are entitled too. In addition to not being able to keep the hospital up-to-date on equipment or replenish equipment when it is broken, we also have incurred about \$80,000 a year in interest expenses because of this borrowing.

I remember meeting you when you were running for election at Governor's in Houlton and when I asked you on that date you said paying the hospital debt was one of your top practices and I admire you for keeping your promise.

Again, thank you for your persistence in this matter.

Sincerely,

Thomas J. Moakler, CEO



200 Somerset Street Millinocket, Maine 04462 Tel. (207) 723-5161 www.mrhme.org

Millinocket Surgical Associates 165 Poplar Street, Suite 2 Millinocket, Maine 04462 (207) 723-3003

Otolaryngology 165 Poplar Street, Suite 1 Millinocket, Maine 04462 (207) 723-2034

Millinocket Urology Associates 165 Poplar Street, Suite 2 Millinocket, Maine 04462 (207) 723-3003

Northern Penobscot Orthopaedics 165 Poplar Street, Suite 1 Millinocket, Maine, 04462 (207) 723-2034

MRH Family Medicine 200 Somerset Street, Suite 3 Millinocket, Maine 04462 (207) 723-5173

MRH Internal Medicine 200 Somerset Street Millinocket, Maine 04462 (207)723-5173

White Birch Medical Center 899 Central Street Millinocket, Maine 04462

Rehabilitation Department (207) 723-6450

Advantage Wellness (207) 723-3032

Life Style Pitness Center (207) 723-6454

### Statement of Support from Millinocket Regional Hospital

On behalf of the Board of Trustees, Employees and Medical Staff of Millinocket Regional Hospital, I wish to thank Governor LePage for his proposal to pay the State's debt owed to hospitals. His continued support of hospital payment could not come at a more opportune time.

Millinocket Regional Hospital is a rural Critical Access Hospital providing access to care for those who would otherwise need to travel as much as 75 miles to receive care. The past few years have not been kind to our facility financially and the Medicaid debt further compounded this. In July of 2012 we were forced to lay off staff, outsource jobs to a contractor to save money and reduce hours of clinical services in several departments. Our employees have not had salary or benefit increases in three years.

Payment of the Medicaid debt will go directly back into the services and employees of our facility. We hope to soon add a nurse case manager to our primary care practices to receive patient centered medical home certification, recruit a new hospitalist and give our employees a salary increase so that they my attempt to keep up with the ever increasing cost of living.

MRH will continue to do our part to maintain the highest quality of health care that Maine is known for, as well as do continue to become more efficient and cost effective. Thank you Governor on behalf of MRH!

Sincerely,

Marie Vienneau CEO/CNO



Re: Governor's proposal to pay the hospital debt.

On behalf of our 350 employees and our Governing Board, I would like to extend my appreciation to Governor LePage for developing a plan to settle the outstanding hospital debt owed to Maine Hospitals and, specifically, to New England Rehabilitation Hospital of Portland.

The money owed to our hospital for the care provided to MaineCare patients dates back four years in some cases. With the settlement plan, our hospital will be able to plan for improvements and updates to our services and operations to ensure we meet our mission of providing the best rehabilitation outcomes in the region.

We hope to begin a significant technology upgrade this summer by transitioning to an electronic medical record. The debt payment will help make that investment in capital and technology a reality.

Maine hospitals have a long-standing reputation for quality and New England Rehabilitation Hospital of Portland is proud of the role we play in Maine's healthcare system. We appreciate the plan to pay the hospital debt, to put this issue behind us and allow our staff to focus on the health and satisfaction of our patients.

Sincerely,

Jeanine Chesley

**CEO** 



Office of the President

January 14, 2013

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

On behalf of Central Maine Medical Center I extend to you our appreciation for your relentless efforts to pursue a payment plan to resolve the MaineCare debt problem.

In recent years CMMC has regularly been forced to access a line of credit to meet payroll and fulfill our basic financial obligations. Needed capital projects have been deferred. Pay increases to our employees have been negligible and positions have been eliminated. The downstream effect of these financial challenges on the Lewistion/Auburn community has been dramatic.

We take great pride in the quality of care provided at CMMC. Among other recent recognition of our efforts, we were recently recognized as one of the top performing urban hospitals in the country by the Leapfrog Group in addition to having been rated Maine's Safest Hospital by Consumer Reports. At the same time CMMC recognizes its responsibility to continue to control the growth in healthcare costs. In recent years CMMC has taken major strides in fundamentally redesigning our workflow processes, thereby improving outcomes for those we serve and reducing the cost of care.

The plan you have identified to use revenues from state liquor sales to pay the MaineCare debt is one we wholeheartedly support. Central Maine Medical Center, our Board, providers and employees are committed to working with you to receive the support of the Maine legislature to bring your plan to fruition.

Again, thank you for your leadership in resolving this issue, thereby stimulating Maine's economy and strengthening the healthcare services provided to our citizens.

Sincerely.

Laird P. Covey President



The Honorable Governor of Maine State House Station #1 Augusta, ME 04330

Subject: Proposal to Pay Hospital Debt

Dear Governor LePage:

On behalf of Goodall Hospital and its Board of Trustees, medical staff, employees, volunteers and our entire community I would like to thank you for developing a plan to settle the outstanding debt owed to Maine hospitals. Payment of the outstanding debt will have a positive impact on jobs, access to affordable healthcare, capital project improvements and up-to-date medical equipment.

For years Goodall Hospital has carried unpaid Medicaid debt on our books because of Maine's reimbursement system. This, along with the decline in the economy, led Goodall to layoffs, pay cuts, freezes on spending, and deferment of needed capital improvements.

When the state pays the outstanding settlement debt, Goodall will be able to move forward with needed improvements to our infrastructure including replacement of our boiler system and roof and work towards bringing our employees' compensation in-line with market trends.

At Goodall Hospital we are committed to providing the highest quality health care at an affordable cost and serving as a leader in improving the health and well-being of the communities we serve.

Again, thank you,

Patricia Aprile, FACHE

President/CEO Goodall Hospital



194 East Main Street Fort Kent, Maine 04743 (207) 834-3155 FAX: (207) 834-2949 www.nmmc.org

January 14, 2013

Jeffrey A. Austin Vice President of Governmental Relations and Communications Maine Hospital Association 33 Fuller Road Augusta, ME 04330

Dear Jeff:

Northern Maine Medical Center is very excited to hear that Governor LaPage is developing a plan to settle the outstanding hospital debt. We are very thankful to Governor LaPage for his continued commitment to Maine hospitals and their important mission to the patients we serve. Due to this tremendous debt we are holding from the Maine Medicaid System, Northern Maine Medical Center has struggled on many occasions to meet payroll and its accounts payable liabilities. We have not kept up with our much needed clinical equipment and facility upgrades. We have found ourselves not meeting standard of care on some of our more vital diagnostic equipment. We are very hopeful that the Maine Legislature will support Governor LaPage in finally coming to terms that this debt must get paid soon.

Please let me know if Northern Maine Medical Center can assist in any way to facilitate any discussions with our local delegation.

Sincerely,

Pater J. Sirois

Chief Executive Officer



Mr. Edward J. McGeachey President & CEO Southern Maine Medical Center One Medical Center Drive Biddeford, ME 04005

January 14, 2013

The Honorable Governor of Maine State House Station #1 Augusta, ME 04330

Dear Governor LePage:

Subject: Proposal to Pay Hospital Debt

On behalf of our patients, employees, trustees and the communities Southern Maine Medical Center (SMMC) serves, I thank you for developing a plan to settle the outstanding hospital debt owed to Maine hospitals.

The tightening cash flow resulting from the unpaid Medicaid debt has limited SMMC's ability to make vital investments in essential services and facilities necessary to support the growing demand for healthcare. Non-profit hospitals like SMMC are under tremendous financial pressure as we struggle to pay for the care provided to MaineCare patients without the associated payments from the State. At the same time, we are faced with the need to invest in caregivers, facilities and equipment necessary to respond to a dramatically increasing demand for care, including a dramatic increase in the number of people unable to pay for their care due to high deductibles or loss of insurance coverage. This in turn has a ripple effect on area businesses that would otherwise benefit from the construction, contracts, and services stemming from these projects and purchases.

The settlement you propose will allow SMMC to have confidence in our ability to meet the obligations that result from the addition of caregivers and the facilities and equipment to support them. This will benefit our patients, our staff and our communities. The funds will also be invested in our new electronic medical record system and our patient-centered medical home model that uses a team approach to primary care in order to help keep people healthier and hold down unnecessary healthcare costs.

We remain always committed to excellent care and our goal as a MaineHealth member is to ensure that our communities are among the healthlest in America. Thank you for your commitment to reimburse Maine hospitals for the state's outstanding debt. It is critical to our ability to meet these important goals.

Sincerely,

Edward J. McGeachey President & CEO

PO. Box 626, 1 Medical Center Drive, Biddeford, Maine 04005 - 0626 207-283-7000 \* 207-283-7020 FAX



Dear Governor LePage,

Parkview Adventist Medical Center is applauding your efforts to settle the outstanding debt which is owed to us by the State for more than four years.

This debt has caused us great concern as we have had to reduce staff, put off purchases of medical equipment and have not been in a position to add services that our community members need.

Instead, we have had to use our resources to pay interest on credit lines and find other ways to carry on our mission in our community.

Hospitals today across our state are facing many financial challenges. We face decreases in funding from Medicare, Medicaid, insurance companies and large increase in our uninsured population.

It is time for our State to care for its debt. It is the right thing for Maine and it is the right thing for our communities.

We are committed to high quality and controlling cost for our patients and without the debt being paid it will be hard to do.

Our Board, doctors, nurses and staff thank you!

Sincerely,

Randee Reynolds President/CEO



Jan. 14, 2013

We at Mayo Regional Hospital are fully supportive of the plan proposed by Governor LePage for settling the outstanding debt owed to Maine's hospitals. The Governor deserves our thanks for proposing this innovative solution in order to fix this continuing problem, once and for all.

Mayo is currently carrying \$4.8 million in unpaid Medicaid debt from 2009-2012, and the state's inability to pay up has created serious cash-flow issues for our hospital. Simply put, Mayo has difficulty paying its bills if we do not receive payment for services provided to our MaineCare patients. The settlement of this obligation will allow us to make more timely payments to local businesses for the services they provide to our hospital.

Payment of the Medicaid debt will also allow Mayo to make vital investments in the medical technology, information systems and hospital facilities required to uphold the quality of care that has Maine's hospitals ranked as the best in the country. Mayo's capital improvement plan has identified \$4.7 million in projects that must be undertaken and equipment that needs to be purchased over the next three years, yet much of this spending has been deferred. When the Medicaid debt is paid, Mayo will be able to invest in these overdue projects.

As Mayo's operating margin has grown thinner and thinner in recent years, and we have focused our efforts on controlling cost while continuing to give our patients the highest quality care. That approach will not change, and we remain committed to providing the most affordable healthcare possible.

Sincerely,

Edward J. Hannon

President and Chief Executive Officer

Mayo Regional Hospital





Dear Governor LePage,

Thank you for your proposal to repay outstanding debt to hospitals. The burden of carrying a debt that has been in the tens of millions of dollars for the past few years has greatly impacted Pen Bay.

We have seen volume declines, deterioration of payer mix and significant increases in free care and bad debts. We continue to provide access to high-quality, safe patient care, regardless of ability to pay, and to all people on the MaineCare program. We have done this, despite the fact that MaineCare currently owes Pen Bay Medical Center \$14 million for patient care that we have provided since 2010.

As our MaineCare debt built up and the recession took its toll, Pen Bay has continued to reduce capital expenditures, curtailed the development of new programs and services, delayed payments to vendors, lost good staff to other industries. A repayment of the MaineCare debt would help prevent additional curtailments in programs and services, staffing and necessary maintenance and repairs.

The \$14 million dollar debt repayment will assist us to continue offering community health classes and support through the Picker Family Resource Center. Pen Bay could use funds owed to us to further develop programs such as smoking cessation, reducing obesity in children and teaching patients how to better cope with chronic diseases. In addition, given the \$14 million repayment, Pen Bay would be able to complete necessary capital improvements that have been put on hold, like updates to our buildings and infrastructure.

Pen Bay Medical Center was recognized in December as one of only 67 Top Hospitals in the nation. This recognition, given to us by the Leapfrog Group, reaffirms our commitment to provide the highest quality, affordable care to the people of Midcoast Maine. As we expect continued challenges with reimbursement and volumes, the repayment of this past debt becomes even more critical to allow us to maintain safe patient and family centered care.

We greatly appreciate the significance of this proposal, and we hope that you understand how much it will help our mission for caring for patients, regardless of their ability to pay.

Sincerely,

Eric Waters

Chief Operating Officer Pen Bay Medical Center

COMPANION CONTRACTOR



Focused On Better Health"

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-001

Dear Governor LePage:

On behalf of Houlton Regional Hospital I want to thank you for the plan you developed that will finally pay Maine hospitals the \$450 million dollars that is owed going back to 2009.

Houlton Regional Hospital's share of this settlement is approximately \$3 million and I cannot stress how important it will be for us to receive this money to improve our cash flow situation which has been a serious problem for years.

This morning, the hospital's draw on their line-of-credit for TD Bank was approximately \$1.2 million, we have utilized our line-of-credit everyday for the last four years and as a result struggled some weeks to meet payroll and we extend our vendors way beyond what they are entitled too. In addition to not being able to keep the hospital up-to-date on equipment or replenish equipment when it is broken, we also have incurred about \$80,000 a year in interest expenses because of this borrowing.

I remember meeting you when you were running for election at Governor's in Houlton and when I asked you on that date you said paying the hospital debt was one of your top practices and I admire you for keeping your promise.

Again, thank you for your persistence in this matter.

Sincerely,

Thomas J. Moakler, CEO



140 Academy Street RO Box 151 Presque Isle, Maine 04769 207-768-4000 www.tamc.org

January 14, 2013

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage,

I have been in Northern Maine for almost three years, and I am still amazed by the resiliency and resourcefulness of the people of Aroostook County. The people of this area routinely demonstrate a high level of independence, creativity, and work ethic. I couldn't be prouder to call this part of the state home.

As the region's most comprehensive healthcare provider and largest employer, The Aroostook Medical Center (TAMC) plays a critical role in ensuring that the area remains vibrant. With almost \$12 million in MaineCare debt owed to TAMC, it has been extremely difficult to invest in the technology, facilities, and people needed to sustain the level of healthcare the people of our region deserve.

Given this, I was very happy to learn of your proposal to pay the debt owed to TAMC. Having access to this capital will allow us to move forward with several initiatives, including:

- Paying our vendors. Many of our vendors are small, local individuals and businesses. These local vendors are one of the economic foundations of our area, and because many of them are so small, TAMC's inability to pay its bills impacts these businesses' ability to remain viable. The proposal to pay the debt will be felt by small businesses throughout Aroostook County.
- Investing in critical facility improvements. We have postponed an HVAC upgrade that is needed to keep our operating rooms open on humid summer days, projects to bring us into compliance with current codes, and upgrades to increase energy efficiency.
- Renovating our facilities to improve patient care. We will be able to proceed with a much-needed renovation of our emergency department, consolidation of our cardiology services to improve efficiency and convenience, and relocation of our orthopedics and therapy services to provide better access for our patients.

As we look to address these three areas, we continue to focus on maintaining a level of quality that is among the best in the nation, finding ways to make healthcare affordable for all. We recently became the first in the state to break ground on a project to use compressed natural gas to heat and cool our hospital, which will save us

millions in fuel costs over the next decade. We constantly look for other innovative opportunities that will allow us to improve patient care and control healthcare costs.

TAMC plays a vital role in the communities we serve. For us to continue to be a strong health resource for the people of Aroostook County, we must invest in our facilities, pay our vendors on time, and continue to look for ways to provide even better care. Thank you for your proposal to pay off the hospital debt. Your decision will have an immediate impact on our community and help ensure that we're here to serve the people of Aroostook County when they need us most.

Sincerely,

Sylvia Getman

TAMC President & CEO



163 VAN BUREN ROAD, STE.1 · CARIBOU, ME 04736-2509 · (207) 498-3111

January 14, 2013

Governor Paul LePage Office of the Governor 1 State House Station Augusta, Maine 04333

Dear Governor LePage,

On behalf of Cary Medical Center in Caribou, I would like to thank you for addressing the unpaid Medicaid debt that Maine's hospitals have been carrying for too many years. This lingering debt has negatively impacted employment opportunities and capital acquisition at our hospital. There have been a number of health care related positions not filled when vacated and we have delayed needed technology updates. For many years we have been concerned that the debt would not be paid which would have a significant negative impact on our hospital.

I appreciate the work you, your administration and the legislature completed last year to 'fix' the issue so the debt does not accumulate into the future. It shows the support for Maine's high quality health care facilities in comparison to other states in the nation, an honor we discuss with pride.

Your persistence in dealing with this debt issue and payments going forward not only shows your support for Maine's hospitals, but your understanding of the economic engine we are for our communities and the entire state. Again, it is with sincere appreciation that I thank you, Governor LePage, for positively impacting this long overdue debt that Maine's hospitals have carried.

Sincerely,

Kris A. Doody, RN, MSB

CEO





Governor Paul R. LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

### Dear Governor LePage:

On behalf of the entire Mercy Health System of Maine, I wish to express my deep appreciation to you for your plan to pay the hospital debt in Maine. I cannot tell you how difficult it has been to continue to provide critical health care services to the greater Portland community, while at the same time faced with of millions in unpaid state bills.

The financial challenges we face today are unlike any we have seen before. The economic strain on Mercy has been exacerbated by a steep rise in our charity care, which now totals \$12 million annually, double what it was only a few years ago. With rising charity care costs and growing unpaid debt, we also have struggled to make necessary investments, especially in information technology.

As you might expect, the long delay in payment has forced us to borrow from our line of credit and to devote a great deal of time to cash flow issues. Not only has this borrowing increased our costs, it also has consumed undue management time that could have been put to better use.

I applaud the ethical responsibility in your decision. For the state to honor its prior obligations and pay for services already rendered is an important principle—not only for hospitals, but for all businesses in Maine and those who do business with our state government. It is the right message to send.

Mercy will support this effort through to its conclusion. We will work with our legislative delegation to convey the critical importance of resolving these hundreds of millions in unpaid debt. Again, many thanks for your efforts to resolve this important issue and please do not hesitate to contact me with any questions.

Sincerely yours,

Eileen F. Skinner, FACHE

President and CEO

www.mercyhospital.org



Office of the President

January 14, 2013

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

We commend you for providing outstanding leadership to resolve the current MaineCare debterisis.

Central Maine Healthcare is now owed some \$51 million by MaineCare. We have had selective layoffs, deferred hiring people, frozen wages and delayed needed capital projects due in part to our tenuous cash situation. Our lack of cash is the direct result of this enormous MaineCare receivable. Payment of the MaineCare debt is the single most effective way to improve the stability of our organization.

We understand the purchasers and consumers of healthcare are demanding high value from Maine hospitals and the providers we employ. Our system is aggressively cutting costs while investing in people and tools to increase our productivity. We have been able to reduce several million dollars of cost by adoption of "lean techniques" and other performance improvement strategies. CMMC is the lowest cost tertiary hospital and Bridgton and Rumford are the two lowest cost hospitals in Maine.

Our hospitals are also providing high quality care. CMMC was recently recognized as the "Safest Hospital in Maine" by Consumer Reports. CMMC and Rumford Hospital earned "Top Hospital" quality recognition by the Leapfrog Group. Central Maine Healthcare is delivering on our promise to provide high quality and low cost which is the value payers and our patients expect.

You can count on our support as you work with the Maine Legislature to use revenues from the state liquor contract to pay the settlement debt.

Sincerely yours,

Peter E. Chalke President and CEO



Office of the President

January 14, 2013

Governor Paul LePage Office of the Governor #1 State House Station Augusta, ME 04333-0001

Dear Governor LePage:

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Peter E. Chalke President and CEO